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C O N F I D E N T I A L SECTION 01 OF 02 ROME 000139

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [IT](#) [IR](#) [IS](#)  
SUBJECT: ITALY-IRAN: AMB. THORNE'S CONVERSATION WITH FM  
FRATTINI

REF: A. REF A: SECSTATE 9124  
[1](#)B. REF B: SECSTATE 7935

Classified By: Classified by Ambassador David H. Thorne. Reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Foreign Minister Frattini assured the Ambassador that Italy was ready to back new stronger sanctions against Iran and that Prime Minister Berlusconi was "now convinced" of the need for Italy to be part of a strong unified position in concert with the U.S. Frattini stressed that the "like-minded states" mechanism was critical to building the impetus behind new sanctions and cautioned about the need to carefully cultivate consensus behind a tougher position, both at the Security Council and within the European Union. Frattini said that Italy was pleased with the current close coordination with the U.S and that the GOI would work skeptics in the EU and reach out to Russia to forge unity behind stronger measures. End Summary.

Berlusconi: Convinced about Unified Action  
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[1](#)2. (C) Per ref A demarche, the Ambassador met with Italian Foreign Minister Franco Frattini on January 3 to brief him on the U.S. strategy on Iran and ask for Italian support. Frattini told the Ambassador that he had briefed Prime Minister Berlusconi on his meetings with Secretary Clinton in Washington on January 25 (ref b) and his meetings on the margins of the London Conference. Berlusconi is now convinced of "the necessity to support" a unified approach with the U.S., Frattini reported, and also recognizes that there is a US expectation of Italian support. The Foreign Minister assured the Ambassador the Italy was now ready to proceed with strengthened sanctions, but that it was still unclear what sort of sanctions were most effective and were possible.

[1](#)3. (C) Frattini underscored the challenges ahead in getting the right language in a UN Security Council resolution. He cautioned that China would be a potential key spoiler in developing an effective resolution. He believes it is essential to have at least one Arab state -- he feels United Arab Emirates would be the best choice -- to join the group of France, UK, U.S., and Germany in offering strengthened measures against Iran to complement action in New York. At the same time, it will be necessary for key EU members to work toward the development of a strong EU position. Because imposing stronger sanctions will require consensus in the EU, it would be important to lobby member states including Belgium, Sweden, and Austria that were reluctant to impose tough new measures. For all these reasons, Frattini believes that it is important to work quickly through the "like-minded" states mechanism to float strong proposals.

[1](#)4. (C) Recapping GOI points raised during the February 2 Rome visit of Treasury U/S Stuart Levey (reported septel), Frattini raised obstacles in imposing effective sanctions

against the Iranian Revolutionary Guard Corps (IRGC). Citing the case of Hizbollah, EU requirements of unanimity would make the process of getting the entire organization and affiliated companies added to the list would be tedious with no guarantee of success. He proposed immediate, targeted measures against individuals -- against their travel, financial transfers, and property -- as initial steps against the IRGC. Frattini thought that the "like-minded states" mechanism again offered the right forum for developing these measures.

¶5. (C) On financial measures, Frattini said the Finance Ministry was looking at the UBAE Bank case. He believes that India, China, and Turkey were the weak links on financial sanctions. Frattini told the Ambassador that Prime Minister Berlusconi had promised the Israelis he would call Putin and Medvedev to encourage their cooperation on Iran.

¶6. (C) In conclusion, Frattini said that the GOI was very pleased with the current close cooperation with the U.S. on Iran and appreciated U/S Burns' personal efforts to keep them in the loop. He stressed that the Quint meetings were particularly useful because it put the GOI in a stronger position to rein in Italian companies with interests in Iran.

#### The Mystery of the Centrifuges

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¶7. (C) As an aside, Frattini noted that during the PM Berlusconi's February 1-3 visit to Israel, the Israelis had provided Prime Minister with their explanation as to why the Iranians were running their 15,000 centrifuges at only 30

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percent capacity. According to Israeli officials, the Iranians know that it would be extremely difficult to replace these centrifuges if they are damaged, so they are being careful not to stress the systems.

ENI and Iran

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¶8. (C) The Ambassador also raised the issue of Eni's continuing activities in Iran, cautioning that those activities are receiving close scrutiny in Washington. He also warned that pending legislation currently before Congress could affect Eni's ability to do business with the U.S. Frattini was clearly uncomfortable with this topic, as evidenced by his body language.

¶9. (C) Comment: Our continuing, multipronged effort to persuade Italy that now is the time to toughen the international community's stance on Iran (aided in no small part by Iran's missteps) is having an effect and the GOI is moving decidedly into line on new sanctions. Recent legislation introduced in Congress, Secretary Clinton's strong push in her meetings with Frattini, and Israeli appeals during Berlusconi's just completed visit there have had a cumulative effect, particularly now that Berlusconi no longer would have to choose between the U.S. and Russia as we embark on a tougher path.

THORNE